

## Senate Standing Committee on Economics

### ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

19 – 20 October 2011

Question No: 106

Topic: Henry Tax Review recommendations

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Senator Cormann asked:

Senator CORMANN: Here is, on the record, a question—take it on notice, please: out of the 138 recommendations made, can you provide us with the list of those implemented in full, partially implemented or not implemented?

Senator Sherry: We will take it on notice. We will not be that prescriptive about the set-out; that is the prerogative of the Treasurer. But we will take it on notice.

Answer:

As at MYEFO 2011-12, the Government had adopted 34 measures acting on recommendations made by the *Australia's Future Tax System (AFTS) Review*. Some of these measures act on more than one AFTS recommendation, and some recommendations have been furthered by more than one measure. The 34 measures are listed in the table below.

Many of the remaining recommendations do not require Commonwealth Government action, while a small number of recommendations have been ruled out. A number of recommendations of the AFTS Review reflect current arrangements, rather than advocating change. Many recommendations call for action by State governments and or by both the Commonwealth and State governments together. In its initial response to the AFTS Review, the Government ruled out implementing some of the recommendations. Further details can be found in the press release issued jointly by the Treasurer and then Prime Minister on 2 May 2010.

Count	Recommendation	Measure	Announced
Tax system governance			
1	112	Commitment to a principles-based approach to tax laws design	August 2010
2	113	Empowering of the Board of Taxation to initiate its own reviews	August 2010
3	115	Establishment of the Tax System Advisory Board	August 2010
4	41	Establishment of the Australian Charities and Not-for profits Commission	2011-12 Budget
5	41	Introduction of a statutory definition of 'charity'	2011-12 Budget
6	134	Establishing a Tax Studies Institute	2011-12 MYEFO
Personal tax			

7	2	Reform of the tax-free threshold for Low Income Tax Offset	Clean Energy Future package
8	11	Introduction of the optional standard tax deduction	May 2010
9	6(a)	Phasing out the Dependent Spouse Tax Offset	2011-12 Budget and 2011-12 MYEFO
10	14(a)	Introduction of the 50 per cent tax discount on interest income	May 2010
11	18(a)	Introduction of the \$500 low-income earners government contribution	May 2010
12	20	Abolish the superannuation guarantee age limit	May 2010 and 2011-12 MYEFO
13	18(a)	Continuation of the \$50,000 concessional contribution cap	May 2010
14	23(b)	Better reporting of superannuation payments to employees	July 2010
15	23(c)	Expansion of the use of tax file numbers	August 2010
16	9(c)	Reform of living-away-from-home allowances and benefits	2011-12 MYEFO
Transfer payments			
17	85	Decrease in the taper rate of the Newstart Allowance for single principal carers	2011-12 Budget
18	91(a)	Increase in Family Tax Benefit Part A for 16 to 19 year olds	August 2010
19	86	Increase in the number of hours that people on the Disability Support Pension can work	2011-12 Budget
20	85	Reduction in the age of the youngest child at which parents who were eligible for the Parenting Payment prior to 1 July 2006 lose eligibility	2011-12 Budget
21	98	Better alignment between Family Tax Benefit Part A and Youth Allowance	2011-12 Budget
Business tax			
22	45, 46, 47, 48	Introduction of the Minerals Resource Rent Tax	May 2010 and July 2010
23	45, 46, 47, 48	Extension of the Petroleum Resource Rent Tax	May 2010 and July 2010
24	27	Cut in the company tax rate	May 2010
25	27	Head start in the cut in the company tax rate for small businesses	May 2010
26	29	Increase in the instant write-off threshold to \$6,500 for small businesses	May 2010 and Clean Energy Future Package
27	29	Introduction of the single depreciation pool for assets costing more than \$6,500 for small business	May 2010
28	29	Introduction of the immediate write-off for the	2011-12 Budget

		first \$5,000 of the cost of a motor vehicle by small businesses	
29	6(c)	Replacement of the Entrepreneurs Tax Offset with better incentives for small business	2011-12 Budget
30	31	Introduction of the uplift factor for losses of certain infrastructure projects	2011-12 Budget
31	33	Phasing down of the interest withholding tax paid by financial institutions	May 2010
Environmental and social taxes			
32	65	Reform of the taxation of fuels towards energy content based taxation	2010-11 Budget
33	9(b)	Reform of the fringe benefits tax treatment of cars	2011-12 Budget
34	73	Increase in the excise on tobacco products	April 2010